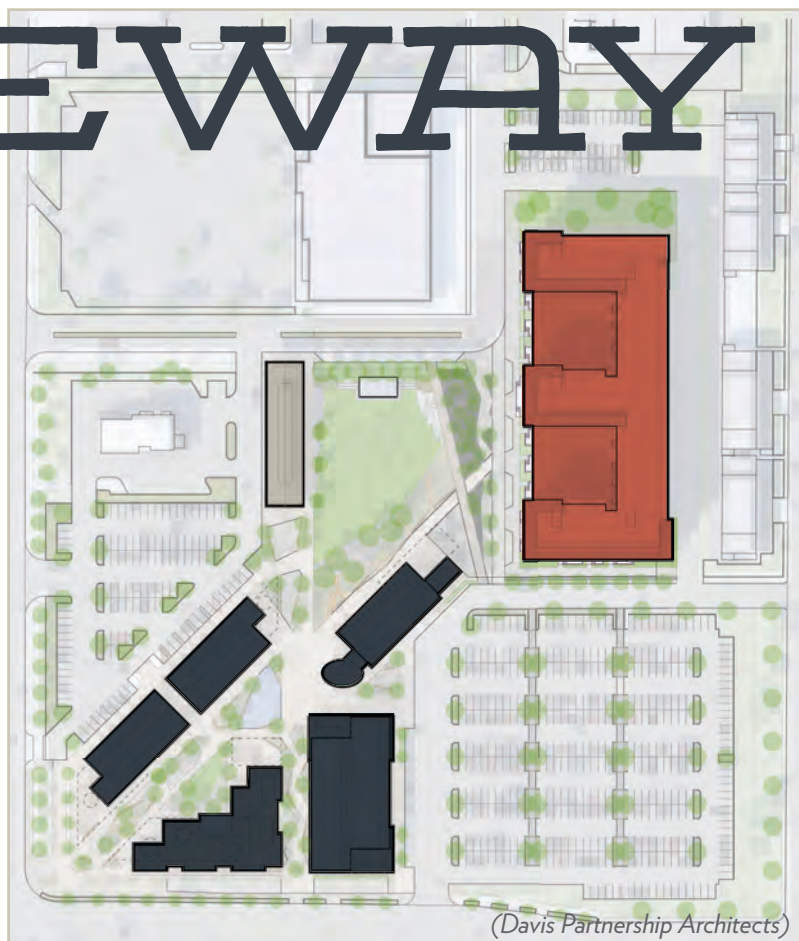


# THORNTON GATEWAY

**PROPERTY** Thornton Gateway represents a significant opportunity to transform the old Thornton Shopping Center into the vibrant, mixed-use destination that aligns with/was envisioned as part of the City of Thornton's 2020 Comprehensive Plan. The site is strategically located at 88th Avenue and Washington Street, with over 102,000 vehicles passing daily and direct access to regional transit.

Development will focus on community-serving retail, multimodal connectivity, and sustainable infrastructure. The project will introduce a thoughtfully curated mix of grocery, health-conscious dining, and wellness services, to meet the needs of the city's diverse population.

Bluejay Development is committed to honoring the site's history, while delivering a revitalized, walkable neighborhood center that enhances visitors' well-being, supports economic growth, and strengthens community identity.



RSF BY USE		
RETAIL	%	RSF
GROCERY	34.0%	32,900
F&B	18.2%	17,600
WELLNESS	23.1%	22,400
SERVICE	16.5%	16,000
COMMUNITY	8.3%	8,000
	100.0%	96,900
MULTI-FAMILY	UNITS	RSF
MARKET RATE	238	191,535
		191,535

**MARKET** The Thornton Gateway redevelopment is uniquely positioned to meet the City of Thornton's strategic goals by addressing unmet demand for retail and housing in a high-growth, transit-connected corridor.

With a record-low retail vacancy rate of 3.1% and minimal new supply in the pipeline, the project offers an opportunity to introduce new, high-quality, community-serving commercial space that complements the city's evolving demographic and economic landscape. In the multifamily sector, strong absorption and affordability advantages highlight the need for new residential options, especially near RTD's N-Line.

Backed by \$500 million in recent commercial investment and robust regional growth, Thornton Gateway is poised to become a catalytic, mixed-use destination that supports long-term economic vitality and enhances quality of life for Thornton residents.

## PROPOSED REDEVELOPMENT

Thornton Gateway aims to transform the 15.6-acre site of the former Thornton Shopping Center into a dynamic mixed-use district centered around community, culture, and accessibility.

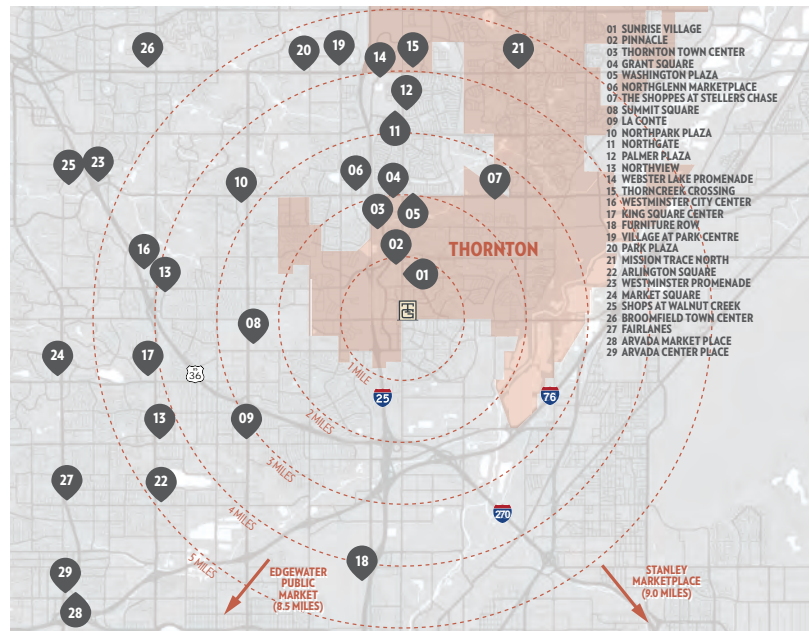
The site presents notable challenges, including an awkward parcel shape, aging infrastructure, restrictive zoning, and a cap on residential use; but also offers compelling opportunities such as proximity to Denver and Boulder, affordability, and strong municipal support.

Internal objectives of the plan include creating a flexible and inclusive environment that encourages long stays, activates public space through performances and events, showcases local culture, and establishes a distinctive identity for South Thornton.

The design emphasizes indoor-outdoor integration, pedestrian-friendly circulation, and strong ties to surrounding schools and community institutions.

Target tenants span high-demand sectors including a natural or organic grocery anchor (e.g., Sprouts, Trader Joe's), wellness providers (e.g., CorePower Yoga, Restore Hyper Wellness), diverse food and beverage concepts like Benzina and food trucks, and modern, health-conscious QSRs (e.g., Cava, MAD Greens).

Collectively, the project seeks to set a new standard for inclusive, experience-driven development that meets local needs while attracting regional attention.



Commercial Developments within a 5-Mile Radius

**PHASES** The Thornton Gateway phasing and implementation strategy is thoughtfully designed to deliver lasting community impact through a sequenced approach that balances early activation with strong public-private partnership.

Beginning with site remediation and entitlements, the plan prioritizes early residential development to generate foot traffic and enhance site security, followed by anchor retail to drive tax revenue, and culminating in signature community spaces such as a food hall, plaza, and event green. Each phase is tied to clearly defined leasing and financing milestones, with interim activations, including pop-up markets and food trucks, providing early public engagement and revenue generation.

Supported by Metro District and TIF funding, as well as local partnerships, the project weaves Thornton's identity into every layer of the development. Ultimately, Thornton Gateway is positioned as a scalable, resilient investment in a high-growth market with strong municipal backing and long-term value creation potential.



**FINANCIAL OVERVIEW** The financial strategy for Thornton Gateway emphasizes the necessity of integrating public financing to enhance project returns and attract investment.

A traditional debt/equity structure yields modest returns (11.02% project IRR and 10.71% LP IRR), but with the inclusion of public financing, through a Metro District and URA TIF funds, returns increase significantly to a 21.26% project IRR, a 20.05% LP IRR, and a 1.99x equity multiple.

Total project cost is \$96.8M (split between \$63.9M for multi-family and \$32.9M for retail components). Senior debt of \$59.9M will be sourced from institutional banks like UMB, with competitive SOFR-based rates. Equity contributions come from experienced family offices (GP @ 5%) and Four Mile Capital (LP @ 95%), with a structured four-tier waterfall to optimize returns.

Public financing, primarily via URA TIF (\$4.68M) and targeted tax assessments (\$4.91M), is critical to maintaining financial feasibility without overburdening future residents or impacting the City's creditworthiness. The project benefits further from its Opportunity Zone location, offering tax advantages to investors.

Sensitivity analysis confirms resilience across various market conditions, with LP returns ranging from 8.04% to 22.56% depending on performance scenarios. Alternatively, two specialized deal structures were identified to eliminate the need for a Metro District: reducing the land acquisition cost or rolling the City's land basis into LP equity, aligning municipal interests with project success. Both options aim to maintain target investor returns while minimizing additional tax impacts.

Overall, this multi-faceted financial plan positions Thornton Gateway as a compelling, de-risked investment opportunity, with strong return potential, supported by public-private collaboration.

PROJECT SUMMARY	
PROJECT COSTS	
ACQUISITION	\$6,000,000
MULTIFAMILY	\$63,859,978
RETAIL	\$32,925,936
TOTAL PROJECT	\$96,785,914
PROJECT DEBT	
SENIOR BANK LOAN	\$59,948,581
MUNICIPAL BOND	\$9,589,340
PROJECT RETURNS	
TOTAL DISTRIBUTIONS	\$54,200,109
TOTAL CONTRIBUTIONS	\$27,244,493
TOTAL PROFIT	\$26,955,615
LEVERED IRR	21.26%
EQUITY MULTIPLE	1.99
RETURN ON COST	10.13%
DEVELOPMENT SPREAD	50 bps
LIMITED PARTNER RETURNS	
TOTAL LP DISTRIBUTIONS	\$49,632,217
TOTAL LP CONTRIBUTIONS	\$25,882,280
TOTAL LP PROFIT	\$23,749,938
LP LEVERED RETURN	20.05%
LP EQUITY MULTIPLE	1.92
GENERAL PARTNER RETURNS	
TOTAL GP DISTRIBUTIONS	\$4,567,902
TOTAL GP CONTRIBUTIONS	\$1,362,225
TOTAL GP PROFIT	\$3,205,678
GP LEVERED RETURN	39.55%
GP EQUITY MULTIPLE	3.35

PROJECT INFORMATION	
ADDRESS	88th & WASHINGTON, THORNTON
SITE SIZE	15.6 ACRES
MULTIFAMILY RSF	191,535 SF
MULTIFAMILY UNITS	\$238
RETAIL RSF	88,900 SF
COMMUNITY RSF	8,000 SF